

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
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FM AMEMBASSY CARACAS
TO SECSTATE WASHDCPRIORITY 8879
INFO AMEMBASSY PORT OF SPAIN

C O N F I D E N T I A L CARACAS 8315

FOR ARA TODMAN AND ARELLANO FROM AMBASSADOR

EO 11652 GDS
TAGS: PSDC EAID TD VE

SUBJ: CARIBBEAN DEVELOPMENT: THE VENEZUELAN AND
TRINIDADIAN PERSPECTIVES

REF: A USUN 2657; B PORTOF SPAIN 2420

1. I CALL YOUR ATTENTION TO THE POTENTIALLY SERIOUS
PROBLEM CONTAINED IN THE CONTRADICTIONS BETWEEN PRESIDENT
PEREZ' EXPECTATIONS AND PERCEPTIONS REGARDING CARIBBEAN
DEVELOPMENT AND OUR POSITION, ON THE ONE HAND, AND THOSE--
TO JUDGE FROM REF B-- OF ERIC WILLIMAS ON THE OTHER.

2. CAP, AS YOU KNOW, HAS ACTIVELY AND PERSISTENTLY
URGED INTERNATIONAL ACTION TO CREATE A DEVELOPMENT
COOPERATION PROGRAM FOR THE CARIBBEAN. HE WOULD LIKE TO
PLAY A MAJOR ROLE AND TO WORK CLOSELY WITH US. HE
EXPECTS-- AND URGES-- THAT THE EFFORT INCLUDE LATIN AMERICAN
COUNTRIES BORDERING THE BASIN-MEXICO, COSTA RICA AND
COLOMBIA-- AS WELL AS CANADA AND THE METROPOLITAN COUNTRIES.
LARGELY DUE TO HIM, AND MANLEY, THE BOGOTA MEETING
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WENT ON RECORD AS SUPPORTING THE IDEA OF INTERNATIONAL
COOPERATION IN THE AREA. HE HAS ALSO URGED THAT SOME
OF THE INTERESTED DONORS MEET AS SOON AS POSSIBLE,
INFORMALLY AND QUIETLY, TO BEGIN TO EXCHANGE IDEAS; HE
BELIEVES THE GROUP CAN BE EXPANDED LATER AS NECESSARY,
BUT THAT IT SHOULD GET STARTED. HE HAS SUGGESTED THAT
THE IDB HOST SUCH AN INFORMAL MEETING. FROM HIS CON-

VERSATIONS WITH PRESIDENT CARTER AND AMBASSADOR YOUNG, CAP PERCEIVES US--AND HAS EVERY RIGHT TO--AS GENERALLY IN AGREEMENT WITH HIM. INDEED, DURING AMBASSADOR YOUNG'S VISIT WE SPECIFICALLY AGREED THAT VENEZUELA AND THE US SHOULD JOINTLY BUT SEPARATELY URGE ORTIZ MENA TO SET UP SUCH A MEETING (REF A).

3. ERIC WILLIAMS, I GATHER, HAS PERCEPTIONS AND EXPECTATIONS THAT ARE TO A LARGE DEGREE CONTRADICTORY AND MUTUALLY EXCLUSIVE. IF I UNDERSTAND IT RIGHT, HE SEES TRINIDAD/TOBAGO AS THE LEADER (WITH THE US) IN THE CONSORTIUM; HE APPEARS TO REJECT THE "AGREEMENTS" REACHED IN THE CARTER-CAP CONVERSATIONS, AND TO REJECT THE IDEA OF "LATIN AMERICAN" ASSOCIATION AND OF IDB INVOLVEMENT: HE RELEGATES VENEZUELA TO A MARGINAL AND AMBIGUOUS ROLE. MOREOVER, BY MOVING RAPIDLY, INCLUDING CONSULTATIONS WITH THE IMF, WILLIAMS HAS IN HIS LETTER TO THE SECRETARY (REF B) "SEIZED THE HIGH GROUND" AND LAID OUT SPECIFIC PROPOSALS TO WHICH WE MUST NOW REACT.

4. I DO NOT SEE HOW WE CAN ACCEPT THE TT PREMISES AS THEY STAND WITHOUT REBUFFING VENEZUELA AND GIVING CAP GROUND FOR CHARGING WE WENT BACK ON OUR WORD. NOR, DO I SUPPOSE, COULD WE SIMPLY EMBRACE CAP'S IDEAS WITHOUT REBUFFING WILLIAMS WHOSE IDEAS AS AMBASSADOR FOX HAS POINTED OUT WE HAVE ALSO SOUGHT. THE POINT IS
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THAT WE THUS FIND OURSELVES SUDDENLY CAUGHT IN THE MIDDLE OF CONTRADICTIONS, MISPERCEPTIONS AND POTENTIAL MIS-UNDERSTANDINGS WHICH IT BEHOOVES US TO BEGIN TO UNSNARL AS SOON AS POSSIBLE.

5. ONE POSSIBLE LINE OF ACTION TO RECONCILE OR MERGE THESE PERCEPTIONS WAS SUGGESTED BY AMBASSADOR YOUNG WHO BELIEVED THAT SOME OF WILLIAMS' TESTINESS REGARDING VENEZUELA AND CARIBBEAN DEVELOPMENT MAY BE DUE TO HIS FEELINGS HAVING BEEN HURT THAT HE WAS NOT INVITED TO BOGOTA, THOUGH OF COURSE HIS HOSTILITY TOWARD VENEZUELA HAS BEEN OF LONG STANDING. AMBASSADOR YOUNG THOUGHT THAT GESTURES TOWARD TRINIDAD, SUCH AS HOLDING THE IDB-SPONSORED MEETING THERE WOULD BE OF GREAT HELP. PERHAPS URGING VENEZUEAL TO CATER TO WILLIAMS SENSITIVITIES WOULD HELP.

6. ANOTHER "OPENING" IS SUGGESTED BY PEREZ GUERRERO'S OBSERVATIONS (PARA 6 REFTEL A) THAT WE SHOULD PUSH INTEGRATION AMONG THE ISLANDS THEMSELVES. SUPPORT OF CENTRAL AMERICA OR THE MAINLAND STATES WOULD BE "COOPERATION", BUT THE PLAN SHOULD BE TO FORCE THE ISLANDS TO COMPLEMENT THEIR ECONOMIES.

7. IN ANY CASE, I THINK IT WOULD BE A GREAT MISTAKE TO EXCLUDE THE LATIN AMERICAN NATIONS, LIKE MEXICO AND VENEZUELA, OR THE IDB FORM PLANNING. THEIR RESOURCES ARE NECESSARY. MOREOVER, TO PERPETUATE THE IDEA OF DIFFERENCES BETWEEN THE CARIBBEAN AND LATIN AMERICANS IS TO RETROGRESS FROM THE KIND OF UNITY AND JOINT APPROACHES THAT WORKED SO WELL IN GRENADA. WHETHER THE IMF OR THE IDB OR THE IBRD SHOULD BE A CONSORTIUM LEADER, I LEAVE TO THE EXPERTS, BUT I DO NOT SEE THAT MUCH HARM CAN COME FROM GOING AHEAD ON OUR COMMITMENT TO MEET WITH THE IDB INFORMALLY AND PRELIMINARILY, WHILE I THINK MUCH HARM WOULD RESULT FROM BACK-TRACKING FROM THE COMMITMENT..

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